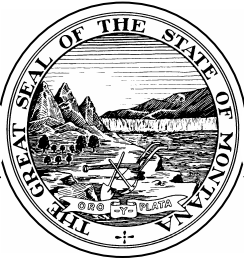


DEPARTMENT OF ADMINISTRATION
DIVISION OF BANKING AND FINANCIAL INSTITUTIONS



BRIAN SCHWEITZER
GOVERNOR

ANNIE M. GOODWIN
COMMISSIONER

STATE OF MONTANA

301 SOUTH PARK, SUITE 316
Helena, MT 59601

CSBS ACCREDITED 2004
(406) 841-2920
(406) 841-2930 FAX

NEWS RELEASE

Contact: Annie M. Goodwin, Commissioner
Division of Banking and Financial Institutions
(406) 841-2920
angoodwin@mt.gov

FOR IMMEDIATE RELEASE

August 15, 2007

Montana Borrowers Afforded New Protections Under Title Loan Act - Pawn Broker Exemption Repealed -

HELENA, MONTANA – The Montana Division of Banking and Financial Institutions has announced that amendments to the Montana Title Loan Act (Act) effective on October 1, 2007 will afford greater protection to consumers who obtain title loans. The amendments to the Act, which were part of Senate Bill 74 (SB 74), were signed into law by Governor Brian Schweitzer on May 16, 2007.

The new law strengthens the Division's enforcement authority over title lenders. This includes the issuance of orders requiring restitution to borrowers by title lenders who violate the Act. The law also provides the Division authority to issue subpoenas to compel production of records and witnesses, including judicial injunctive actions. In addition, SB 74 also prohibits a title lender from charging any fee to a borrower that is not specifically authorized under the Act.

"The purpose of these amendments is to protect consumers who enter into short-term high rate loans from abuses that occur in the credit marketplace," said Annie M. Goodwin, Commissioner of the Montana Division of Banking and Financial Institutions.

- more -

The exemption from title loan licensure for pawn brokers has been repealed from the Act. Any pawn broker that engages in title lending will be subject to licensing and regulation by the Division. Application forms and regulatory information are available for pawn brokers on the Division's title lender webpage at <http://banking.mt.gov/title.asp>.

This definition of a title loan was amended to ensure that lenders who offer high interest loans with a term of 30 days are subject to the Act. A title loan has been defined as a nonpurchase money loan secured by an unencumbered state-issued certificate of title or certificate of ownership to personal property that is designated as a title loan by the Division.

For more information and questions about the changes to the Act please contact the Division at (406) 841-2920. A link to the most recent version of SB 74 can be found online at <http://banking.mt.gov/recentlegislation.asp>.

The Division of Banking and Financial Institutions (Division) is the regulator for all Montana state-chartered banks, state-chartered credit unions and non-depository financial institutions, which include residential mortgage lenders, consumer loan and sales finance companies, mortgage brokers and loan originators, title lenders, deferred deposit lenders, escrow businesses and business and industrial development corporations. It is the mission of the Division of Banking and Financial Institutions to protect Montanans by regulating state-chartered and licensed financial institutions under its supervision. For more information please contact the Division at (406) 841-2920 or visit <http://banking.mt.gov>.

###